

sureties, motor carrier, broker, or other party thereto as the case may be, has first been given to the Commission at its office in Washington, D. C., which period of thirty (30) days shall commence to run from the date such notice is actually received at the office of the Commission.

Motor carriers and brokers subject to the jurisdiction of this Commission are hereby required to maintain in effect at all times the security for the protection of the public contemplated in Sections 211 (c) and 215, Motor Carrier Act, 1935, and prescribed by these rules.

#### RULE VIII

Policies of insurance as amended by the endorsements provided by these rules covering bodily injury liability, property damage liability, and cargo liability must be written by insurance companies legally authorized to transact business in each State in which their policies cover the operations of the insured motor carrier, except that more than one policy of insurance may be used in cases where, in the judgment of the Commission, the territorial operations of such carriers warrant separate coverage on separate portions of their routes or territories.

#### RULE IX

The Commission may revoke its approval of any surety bond, policy of insurance (or certificate of insurance in lieu thereof), qualification as a self-insurer, or other securities or agreements if it finds at any time that such security no longer complies with these rules.

By the Commission, Division 5.

[SEAL]

GEORGE B. MCGINTY, *Secretary*.

[F. R. Doc. 1779—Filed, August 18, 1936; 12:32 p. m.]

Friday, August 21, 1936

No. 115

### PRESIDENT OF THE UNITED STATES.

#### EXECUTIVE ORDER

AMENDMENT OF EXECUTIVE ORDER NO. 7164, OF AUGUST 29, 1935, PRESCRIBING RULES AND REGULATIONS RELATING TO STUDENT-AID PROJECTS AND TO EMPLOYMENT OF YOUTH ON OTHER PROJECTS UNDER THE EMERGENCY RELIEF APPROPRIATION ACT OF 1935

#### Amendment to Regulation No. 7

By virtue of and pursuant to the authority vested in me by the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (49 Stat. 115), and the Emergency Relief Appropriation Act of 1936, approved June 22, 1936, (Pub. No. 739, 74th Cong., 2nd Sess.), section 5 of Regulation No. 7, prescribed by Executive Order No. 7164 of August 29, 1935, and made applicable to the said Emergency Relief Appropriation Act of 1936 by Executive Order No. 7396 of June 22, 1936,<sup>1</sup> is hereby amended to read as follows:

5. *Employment of Youth on Projects.* The maximum and minimum hours of work, the conditions of employment and the monthly earnings to be paid young persons eligible for benefits under the National Youth Administration and employed on projects of the National Youth Administration (other than student-aid projects) and on projects of the Works Progress Administration shall be determined by the Works Progress Administration: *Provided, however,* that the monthly earnings applicable to part-time employment of such young persons shall not exceed fifty per centum (50%) of the schedule of monthly earnings as set forth in Executive Order No. 7046, dated May 20, 1935, and amendments thereto.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

August 18, 1936.

[No. 7433]

[F. R. Doc. 1833—Filed, August 20, 1936; 12:01 p. m.]

<sup>1</sup> F. R. 651.

#### EXECUTIVE ORDER

REVOCATION OF EXECUTIVE ORDER NO. 6123 OF MAY 2, 1933, WITHDRAWING PUBLIC LANDS

#### Colorado

By virtue of and pursuant to the authority vested in me by the act of June 25, 1910, ch. 421, 36 Stat. 847, as amended by the act of August 24, 1912, ch. 369, 37 Stat. 497, Executive Order No. 6123 of May 2, 1933, withdrawing public lands in T. 4 N., R. 78 W. of the sixth principal meridian, Colorado, pending a resurvey, is hereby revoked.

This order shall become effective upon the date of the official filing of the plat of resurvey of said township.

THE WHITE HOUSE

FRANKLIN D. ROOSEVELT

August 18, 1936.

[No. 7434]

[F. R. Doc. 1832—Filed, August 20, 1936; 12:01 p. m.]

#### EXECUTIVE ORDER

ESTABLISHING WINNEMUCCA MIGRATORY BIRD REFUGE<sup>1</sup>

#### Nevada

By virtue of and pursuant to the authority vested in me as President of the United States and by the act of June 25, 1910, ch. 421, 36 Stat. 847, as amended by the act of August 24, 1912, ch. 369, 37 Stat. 497, and in order to effectuate further the purposes of the Migratory Bird Conservation Act (45 Stat. 1222), it is ordered that the public lands within the following-described area, together with all lands of the United States within the meander line of Winnemucca Lake and east of the eastern boundary of the Pyramid Lake Indian Reservation, be, and they are hereby, withdrawn from settlement, location, sale, or entry and reserved and set apart for the use of the Department of Agriculture, subject to valid existing rights, as a refuge and breeding ground for migratory birds and other wildlife: *Provided,* That upon the termination of any private right to, or appropriation of, any public lands within the exterior limits of the area described in this order, such lands shall become a part of the refuge:

#### MOUNT DIABLO MERIDIAN

- Tps. 24 and 25 N., R. 23 E., all east of the Pyramid Lake Indian Reservation;
- T. 27 N., R. 23 E.,
  - secs. 2, 11, and 14,
  - secs. 15, 22 and 23, all east of the Pyramid Lake Indian Reservation;
- T. 28 N., R. 23 E.,
  - sec. 12, lots 3 to 6, inclusive, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , and NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - sec. 13, all;
  - sec. 14, lot 1, NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - sec. 23, lots 1 to 4, inclusive, and NE $\frac{1}{4}$ SW $\frac{1}{4}$ ;
  - sec. 26, all;
  - sec. 35, lots 1, 2, 4, and 5, E $\frac{1}{2}$ NW $\frac{1}{4}$ , and NE $\frac{1}{4}$ SW $\frac{1}{4}$ .
- T. 24 N., R. 24 E.,
  - sec. 4, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - secs. 5 and 8;
  - sec. 9, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - sec. 16, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - secs. 17 and 19;
  - sec. 20, lots 1 and 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , and N $\frac{1}{2}$ SW $\frac{1}{4}$ ;
  - sec. 30, all.
- T. 25 N., R. 24 E.,
  - sec. 5, lots 2 to 6, inclusive, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , and W $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - sec. 8, lots 1 to 4, inclusive, W $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and W $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - sec. 17, lots 1 to 4, inclusive, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , and E $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - sec. 20, all;
  - sec. 21, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - sec. 28, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - secs. 29 and 32;
  - sec. 33, W $\frac{1}{2}$ W $\frac{1}{2}$ .
- T. 26 N., R. 24 E.,
  - sec. 4, lots 3 and 4;
  - sec. 5, lots 1 to 4, inclusive;
  - sec. 7, lot 1;
  - sec. 8, lots 1 to 4, inclusive; and E $\frac{1}{2}$ SW $\frac{1}{4}$ ;
  - sec. 17, lots 1, 2, and 3, N $\frac{1}{2}$ NW $\frac{1}{4}$ , and SE $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - sec. 18, all;
  - sec. 20, lots 1 to 4, inclusive;

<sup>1</sup> F. R. 1057.

- T. 26 N., R. 24 E.—Continued.  
 sec. 29, lots 1 to 4, inclusive;  
 sec. 32, lots 1 to 5, inclusive, and NE $\frac{1}{4}$ , SE $\frac{1}{4}$ .  
 T. 27 N., R. 24 E.,  
 sec. 4, lots 3 to 6, inclusive;  
 secs. 5 and 8;  
 sec. 16, lots 1, 2, and 3;  
 secs. 17 and 21;  
 sec. 22, lots 1, 2, and 3;  
 sec. 27, lots 1 to 4, inclusive;  
 sec. 33, lots 1 and 2;  
 sec. 34, lots 1 and 2.  
 T. 28 N., R. 24 E.,  
 sec. 16, lots 1 and 2;  
 sec. 17, lots 1 to 4, inclusive;  
 sec. 18, all;  
 sec. 21, lots 1 to 4, inclusive;  
 sec. 28, lots 1 to 4, inclusive;  
 sec. 33, lots 1 to 4, inclusive.

The greater part of the land herein reserved has been withdrawn for reclamation purposes in connection with the Newlands Irrigation Project and is primarily under the jurisdiction of the Department of the Interior. The reservation of such lands as a migratory bird refuge is subject to the use thereof by said Department for irrigation and other incidental purposes.

The reservation made by this order supersedes as to such of the above-described lands as are affected thereby the temporary withdrawal for classification and other purposes made by Executive Order No. 6910 of November 26, 1934, as amended.

This refuge shall be known as the Winnemucca Migratory Bird Refuge.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,  
 Aug. 19, 1936.

[No. 7435]

[F. R. Doc. 1831—Filed, August 20, 1936; 12 m.]

## TREASURY DEPARTMENT.

### Bureau of Customs.

[T. D. 48486]

#### CUSTOMS REGULATIONS AMENDED—DRAWBACK

ARTICLE 1031, CUSTOMS REGULATIONS OF 1931, AMENDED TO COVER MAIL EXPORTATIONS OF DRAWBACK MERCHANDISE FROM POST OFFICE AT A POINT WHERE NO CUSTOMS OFFICER IS STATIONED

AUGUST 15, 1936.

#### To Collectors of Customs and Others Concerned:

Pursuant to the authority contained in Section 251, Revised Statutes (U. S. C., title 19, sec. 66), Section 313 (1) U. S. C., title 19, sec. 1313 (i) and Section 624 (U. S. C., title 19, sec. 1624) of the Tariff Act of 1930, Article 1031 of the Customs Regulations of 1931 is hereby amended by redesignating paragraph (b) as paragraph (c) and by adding the following new paragraph (b):

(b) Where it is desired to export merchandise with benefit of drawback, through the mails, from a post office located at a point where no customs officer is stationed, the exporter shall advise the Bureau to that effect, and request that the necessary arrangements be made with the Post Office Department for official inspection and supervision of mailing of such merchandise. Upon receipt by the exporter of notification from the Bureau that the local postmaster has been furnished with instructions regarding the procedure to be followed in such cases, the merchandise, together with Notices of Intent, may be presented to such postmaster. One extra copy of each Notice of Intent shall be filed with the postmaster and may be retained as a part of his official records. Exporters will advise the postmaster of the port to which the Notices of Intent are to be forwarded by him for use by the collector of customs in liquidating the drawback entry.

[SEAL]

FRANK DOW,  
 Acting Commissioner of Customs.

Approved, August 15, 1936.

JOSEPHINE ROCHE,  
 Acting Secretary of the Treasury.

[F. R. Doc. 1826—Filed, August 20, 1936; 10:59 a. m.]

## Bureau of Internal Revenue.

[T. D. 4677]

### INCOME TAX

#### REVENUE ACT OF 1936

*Regulations under sections 112 (b) (6) and 113 (a) (15), relating to nonrecognition of gain or loss upon receipt by corporation of property, and basis of property, distributed in complete liquidation of another corporation*

#### To Collectors of Internal Revenue and Others Concerned:

PARAGRAPH A. Section 112 (b) (6) (Title I—Income Tax) of the Revenue Act of 1936, approved June 22, 1936 (Public, No. 740, seventy-fourth Congress, second session), provides:

##### SEC. 112. Recognition of Gain or Loss.—

##### (b) Exchanges Solely in Kind.—

(6) *Property received by corporation on complete liquidation of another.*—No gain or loss shall be recognized upon the receipt by a corporation of property distributed in complete liquidation of another corporation. For the purposes of this paragraph a distribution shall be considered to be in complete liquidation only if—

(A) the corporation receiving such property was, on the date of the adoption of the plan of liquidation, and has continued to be at all times until the receipt of the property, the owner of stock (in such other corporation) possessing at least 80 per centum of the total combined voting power of all classes of stock entitled to vote and the owner of at least 80 per centum of the total number of shares of all other classes of stock (except nonvoting stock which is limited and preferred as to dividends), and was at no time on or after the date of the adoption of the plan of liquidation and until the receipt of the property the owner of a greater percentage of any class of stock than the percentage of such class owned at the time of the receipt of the property; and

(B) no distribution under the liquidation was made before the first day of the first taxable year of the corporation beginning after December 31, 1935; and either

(C) the distribution is by such other corporation in complete cancellation or redemption of all its stock, and the transfer of all the property occurs within the taxable year; in such case the adoption by the stockholders of the resolution under which is authorized the distribution of all the assets of such corporation in complete cancellation or redemption of all its stock, shall be considered an adoption of a plan of liquidation, even though no time for the completion of the transfer of the property is specified in such resolution; or

(D) such distribution is one of a series of distributions by such other corporation in complete cancellation or redemption of all its stock in accordance with a plan of liquidation under which the transfer of all the property under the liquidation is to be completed within three years from the close of the taxable year during which is made the first of the series of distributions under the plan, except that if such transfer is not completed within such period, or if the taxpayer does not continue qualified under subparagraph (A) until the completion of such transfer, no distribution under the plan shall be considered a distribution in complete liquidation.

If such transfer of all the property does not occur within the taxable year the Commissioner may require of the taxpayer such bond, or waiver of the statute of limitations on assessment and collection, or both, as he may deem necessary to insure, if the transfer of the property is not completed within such three-year period, or if the taxpayer does not continue qualified under subparagraph (A) until the completion of such transfer, the assessment and collection of all income, war-profits, and excess-profits taxes then imposed by law for such taxable year or subsequent taxable years, to the extent attributable to property so received. A distribution otherwise constituting a distribution in complete liquidation within the meaning of this paragraph shall not be considered as not constituting such a distribution merely because it does not constitute a distribution or liquidation within the meaning of the corporate law under which the distribution is made; and for the purposes of this paragraph a transfer of property of such other corporation to the taxpayer shall not be considered as not constituting a distribution (or one of a series of distributions) in complete cancellation or redemption of all the stock of such other corporation, merely because the carrying out of the plan involves (1) the transfer under the plan to the taxpayer by such other corporation of property, not attributable to shares owned by the taxpayer, upon an exchange described in paragraph (4) of this subsection, and (2) the complete cancellation or redemption under the plan, as a result of exchanges described in paragraph (3) of this subsection, of the shares not owned by the taxpayer.

PAR. B. Section 113 (a) (15) of the Revenue Act of 1936 provides:

**SEC. 113. Adjusted Basis for Determining Gain or Loss.—**

(a) *Basis (Unadjusted) of Property.*—The basis of property shall be the cost of such property; except that—

(15) *Property received by a corporation on complete liquidation of another.*—If the property was received by a corporation upon a distribution in complete liquidation of another corporation within the meaning of section 112 (b) (6), then the basis shall be the same as it would be in the hands of the transferor.

Pursuant to the provisions of section 62 of the Revenue Act of 1936, the following regulations are hereby prescribed with respect to sections 112 (b) (6) and 113 (a) (15) of the Act:

**ARTICLE 1. Distributions in liquidation of subsidiary corporation.**—(a) *General.*—Under the general rule prescribed by section 115 (c) of the Act for the treatment of distributions in liquidation of a corporation, amounts received by one corporation in complete liquidation of another corporation are treated as in full payment in exchange for stock in such other corporation, and gain or loss from the receipt of such amounts is to be determined as provided in section 111 of the Act. The scope of this treatment is governed by the meaning of the term "amounts distributed in complete liquidation of a corporation" as used in section 115 (c) of the Act. Section 112 (b) (6) of the Act excepts from the general rule property received, under certain specifically described circumstances, by one corporation as a distribution in complete liquidation of another corporation and provides for the nonrecognition of gain or loss in those cases which meet the statutory requirements. Section 112 (i) of the Act places a limitation on the application of section 112 (b) (6) of the Act in the case of foreign corporations.

(b) *Requirements for nonrecognition of gain or loss.*—The nonrecognition of gain or loss is limited to the receipt of such property by a corporation which is the actual owner of stock (in the liquidating corporation) possessing at least 80 percent of the total combined voting power of all classes of stock entitled to vote and the owner of at least 80 percent of the total number of shares of all other classes of stock (except nonvoting stock which is limited and preferred as to dividends). The Act expressly requires that the recipient corporation must have been the owner of the specified amount of such stock on the date of the adoption of the plan of liquidation and have continued so to be at all times until the receipt of the property. The Act also expressly requires that the recipient corporation shall, at no time on or after the date of the adoption of the plan and until the receipt of the property, be the owner of a greater percentage of any class of stock than the percentage of such class owned at the time of the receipt of the property. If the recipient corporation does not continue qualified with respect to the ownership of stock of the liquidating corporation and if the failure to continue qualified occurs at any time prior to the completion of the transfer of all the property, the provisions for the nonrecognition of gain or loss do not apply to any distribution received under the plan.

The provisions of section 112 (b) (6) of the Act do not apply to any liquidation if any distribution in pursuance thereof has been made before the first day of the first taxable year of the recipient corporation beginning after December 31, 1935. Section 112 (b) (6) of the Revenue Act of 1934, as added by section 110 of the Revenue Act of 1935, relating to the nonrecognition of gain or loss in the case of liquidations begun after August 30, 1935, is inoperative and does not apply to any liquidation, regardless of when it was made.

To constitute a distribution in complete liquidation within the meaning of section 112 (b) (6) of the Act, the distribution must be (a) made by the liquidating corporation in complete cancellation or redemption of all its stock in accordance with a plan of liquidation or (b) one of a series of distributions in complete cancellation or redemption of all its stock in accordance with a plan of liquidation. It is essential that a status of liquidation exist at the time the first distribution is made under the plan and that such status continue to the date of dissolution of the corpora-

tion. A status of liquidation exists when the corporation ceases to be a going concern and its activities are merely for the purpose of winding up its affairs, paying its debts, and distributing any remaining balance to its shareholders. A liquidation may be completed prior to the actual dissolution of the liquidating corporation but no liquidation is completed until the liquidating corporation and the received or trustees in liquidation are finally divested of all the property (both tangible and intangible).

If a transaction constitutes a distribution in complete liquidation within the meaning of the Act and satisfies the requirements of section 112 (b) (6) of the Act, it is not material that it is otherwise described under the local law. If a liquidating corporation distributes all of its property in complete liquidation and if pursuant to the plan for such complete liquidation a corporation owning the specified amount of stock in the liquidating corporation receives property constituting amounts distributed in complete liquidation within the meaning of the Act and also receives other property attributable to shares not owned by it, the transfer of the property to the recipient corporation shall not be treated, by reason of the receipt of such other property, as not a distribution (or one of a series of distributions) in complete cancellation or redemption of all of the stock of the liquidating corporation within the meaning of section 112 (b) (6) of the Act, even though for purposes of those provisions in section 112 of the Act relating to reorganizations the amount received by the recipient corporation in excess of its ratable share is regarded as acquired upon the issuance of its stock or securities in a tax-free exchange as described in section 112 (b) (4) of the Act and the cancellation or redemption of the stock not owned by the recipient corporation is treated as occurring as a result of a tax-free exchange described in section 112 (b) (3) of the Act. The application of this paragraph may be illustrated by the following example:

*Example.*—On July 1, 1936, the M Corporation had outstanding capital stock consisting of 3,000 shares of common stock, par value \$100 a share, and 1,000 shares of preferred stock, par value \$100 a share, which was limited and preferred as to dividends and had no voting rights. On July 1, 1936, and thereafter until the date of dissolution of the M Corporation, the O Corporation owned 2,500 shares of the common stock of the M Corporation. By a statutory merger consummated on August 1, 1936, pursuant to a plan of liquidation adopted on July 1, 1936, the M Corporation was merged into the O Corporation, the O Corporation under the plan issuing stock which was received by the holders of the stock of the M Corporation not owned by the O Corporation in exchange for their stock in the M Corporation. The receipt by the O Corporation of the properties of the M Corporation is a distribution received by the O Corporation in complete liquidation of the M Corporation within the meaning of section 112 (b) (6) of the Act, and no gain or loss is recognized as the result of the receipt of such properties.

**ART. 2. Liquidations completed within one taxable year.**—If in a liquidation completed within one taxable year, pursuant to a plan of complete liquidation, distributions in complete liquidation are received by a corporation which owns the specified amount of stock in the liquidating corporation and which continues qualified with respect to the ownership of such stock until the transfer of all the property within such year is completed (see article 1 of these regulations), then no gain or loss shall be recognized with respect to the distributions received by the recipient corporation. In such case no waiver or bond is required of the recipient corporation under section 112 (b) (6) of the Act.

**ART. 3. Liquidations covering more than one taxable year.**—If the plan of liquidation is consummated by a series of distributions covering a period of more than one taxable year, the nonrecognition of gain or loss with respect to the distributions in liquidation shall, in addition to the requirements of article 1 of these regulations, be subject to the following requirements:

(a) In order for the distribution in liquidation to be brought within the exception provided in section 112 (b) (6) of the Act to the general rule for computing gain or loss

with respect to amounts received in liquidation of a corporation, the entire property of the corporation shall be transferred in accordance with a plan of liquidation, which plan shall include a statement showing the period within which the transfer of the property of the liquidating corporation to the recipient corporation is to be completed. The transfer of all the property under the liquidation must be completed within three years from the close of the taxable year during which is made the first of the series of distributions under the plan.

(b) For each of the taxable years which falls wholly or partly within the period of liquidation, the recipient corporation shall, at the time of filing its return, file with the collector of internal revenue for transmittal to the Commissioner of Internal Revenue a waiver of the statute of limitations on assessment. The waiver shall be executed on such form as may be prescribed by the Commissioner of Internal Revenue and shall extend the period for assessment of all income and profits taxes for each such year to a date not earlier than one year after the last date of the period for assessment of such taxes for the last taxable year in which the transfer of the property of the liquidating corporation to the controlling corporation may be completed in accordance with section 112 (b) (6) of the Act. Such waiver shall also contain such other terms with respect to assessment as may be considered by the Commissioner of Internal Revenue to be necessary to insure the assessment and collection of the correct tax liability for each year within the period of liquidation.

(c) For each of the taxable years which falls wholly or partly within the period of liquidation, the recipient corporation shall file a bond, the amount of which shall be fixed by the Commissioner of Internal Revenue. The bond shall contain all terms specified by the Commissioner of Internal Revenue including provisions unequivocally assuring prompt payment of the excess of income and profits taxes (plus penalty, if any, and interest) as computed by the Commissioner of Internal Revenue without regard to the provisions of sections 112 (b) (6) and 113 (a) (15) of the Act over such taxes computed with regard to such provisions, regardless of whether such excess may or may not be made the subject of a notice of deficiency under section 272 of the Act and regardless of whether it may or may not be assessed. Any bond required under section 112 (b) (6) of the Act shall have such surety or sureties as the Commissioner of Internal Revenue may require. However, see section 1126 of the Revenue Act of 1926, as amended, providing that where a bond is required by law or regulations, in lieu of surety or sureties there may be deposited bonds or notes of the United States. Only surety companies holding certificates of authority from the Secretary of the Treasury as acceptable sureties on Federal bonds will be approved as sureties. The bonds shall be executed in triplicate so that the Commissioner of Internal Revenue, the taxpayer, and the surety or the depository may each have a copy.

Pending the completion of the liquidation, if there is a compliance with paragraphs (a), (b), and (c) of this article and article 1 of these regulations with respect to the non-recognition of gain or loss, the income and profits tax liability of the recipient corporation for each of the years covered in whole or in part by the liquidation shall be determined without the recognition of any gain or loss on account of the receipt of the distributions in liquidation. In such determination, the basis of the property or properties received by the recipient corporation shall be the basis which such property or properties would have had in the hands of the liquidating corporation with proper adjustments. See sections 113 (a) (15) and 113 (b) of the Act and article 5 of these regulations. However, if the transfer of the property is not completed within the three-year period allowed by section 112 (b) (6) of the Act or if the recipient corporation does not continue qualified with respect to the ownership of stock of the liquidating corporation as required by that section, gain or loss shall be recognized with respect to each distribution and the tax liability for each of the years covered in whole or in part by the liquidation shall be re-

computed without regard to the provisions of section 112 (b) (6) or section 113 (a) (15) of the Act and the amount of any additional tax due upon such recomputation shall be promptly paid.

**ART. 4. Distributions in liquidation as affecting minority interests.**—Upon the liquidation of a corporation in pursuance of a plan of complete liquidation, the gain or loss of minority shareholders shall be determined without regard to section 112 (b) (6) of the Act, since it does not apply to that part of distributions in liquidation received by minority shareholders.

**ART. 5. Basis of property received in complete liquidation.**—The basis of property received in complete liquidation, without the recognition of gain or loss as provided in section 112 (b) (6) of the Act, shall be the same as the basis of the property in the hands of the liquidating corporation with proper adjustments as provided in section 113 of the Act. See sections 113 (a) (15) and 113 (b) of the Act.

**ART. 6. Records to be kept and information to be filed with return.**—(a) Permanent records in substantial form shall be kept by every corporation receiving distributions in complete liquidation within the exception provided in section 112 (b) (6) of the Act showing the information required by this article to be submitted with its return. The plan of liquidation must be adopted by each of the corporations parties thereto; and the adoption must be shown by the acts of its duly constituted responsible officers, and appear upon the official records of each such corporation.

(b) For the taxable year in which the liquidation occurs, or, if the plan of liquidation provides for a series of distributions over a period of more than one year, for each taxable year in which a distribution is received under the plan, the recipient shall file with its return a complete statement of all facts pertinent to the nonrecognition of gain or loss, including—

(1) A duly certified copy of the plan for complete liquidation, and of the resolutions under which the plan was adopted and the liquidation was authorized, together with a statement under oath showing in detail all transactions incident to, or pursuant to, the plan.

(2) A list of all the properties received upon the distribution, showing the cost or other basis of such properties to the liquidating corporation at the date of distribution and the fair market value of such properties on the date distributed.

(3) A statement as to its ownership of all classes of stock of the liquidating corporation (showing as to each class the number of shares and percentage owned and the voting power of each share) as of the date of the adoption of the plan of liquidation, and at all times since, to and including the date of the distribution in liquidation, and the cost or other basis of such stock.

[SEAL]

CHAS. T. RUSSELL,

Acting Commissioner of Internal Revenue.

Approved, August 18, 1936.

WAYNE C. TAYLOR,

Acting Secretary of the Treasury.

[F. R. Doc. 1623—Filed, August 20, 1936; 10:59 a. m.]

[T. D. 4678]

INCOME TAX

REGULATIONS RELATING TO THE TAXATION OF MUTUAL INVESTMENT COMPANIES UNDER THE REVENUE ACT OF 1936

To Collectors of Internal Revenue and Others Concerned:

PARAGRAPH A. Section 13-(a) of the Revenue Act of 1936 (Public, No. 740, 74th Congress, 2d Session, approved June 22, 1936, 9 p. m.) provides:

**SEC. 13. Normal Tax on Corporations.**—(a) *Definition.*—As used in this title the term "normal-tax net income" means the net income minus the sum of—

(1) Interest on obligations of the United States and its instrumentalities.—The credit provided in section 26 (a).

- (2) *Dividends received.*—The credit provided in section 26 (b). Such credit shall not be allowed in the case of a mutual investment company, as defined in section 48.
- (3) *Dividends paid.*—In the case of a mutual investment company the credit provided in section 27, computed without the benefit of subsection (b) thereof (relating to dividend carry-over).

PAR. B. Section 48 of the Revenue Act of 1936 provides in part:

SEC. 48. *Definitions.*—When used in this title—

(e) *Mutual Investment Companies.*—

(1) *General definition.*—The term "mutual investment company" means any corporation (whether chartered or created as an investment trust, or otherwise), other than a personal holding company as defined in section 351, if—

(A) It is organized for the purpose of, and substantially all of business consists of, holding, investing, or reinvesting in stock or securities; and

(B) At least 95 per centum of its gross income is derived from dividends, interest, and gains from sales or other disposition of stock or securities; and

(C) Less than 30 per centum of its gross income is derived from the sale or other disposition of stock or securities held for less than six months; and

(D) An amount not less than 90 per centum of its net income is distributed to its shareholders as taxable dividends during the taxable year; and

(E) Its shareholders are, upon reasonable notice, entitled to redemption of their stock for their proportionate interests in the corporation's properties, or the cash equivalent thereof less a discount not in excess of 3 per centum thereof.

(2) *Limitations.*—Despite the provisions of paragraph (1) a corporation shall not be considered as a mutual investment company if, subsequent to a date thirty days after the date of the enactment of this Act, at any time during the taxable year—

(A) More than 5 per centum of the gross assets of the corporation, taken at cost, was invested in stock or securities, or both, of any one corporation, government, or political subdivision thereof, but this limitation shall not apply to investments in obligations of the United States or in obligations of any corporation organized under general Act of Congress if such corporation is an instrumentality of the United States; or

(B) It owned more than 10 per centum of the outstanding stock or securities, or both, of any one corporation; or

(C) It had any outstanding bonds or indebtedness in excess of 10 per centum of its gross assets taken at cost; or

(D) It fails to comply with any rule or regulation prescribed by the Commissioner, with the approval of the Secretary, for the purpose of ascertaining the actual ownership of its outstanding stock.

PAR. C. Section 351 (b) (1) of the Revenue Act of 1936 provides:

SEC. 351. *Surtax on Personal Holding Companies.*—

(b) *Definitions as used in this title.*—

(1) The term "personal holding company" means any corporation (other than a corporation exempt from taxation under section 101, and other than a bank, as defined in section 104, and other than a life-insurance company or surety company) if—(A) at least 80 per centum of its gross income for the taxable year is derived from royalties, dividends, interest, annuities, and (except in the case of regular dealers in stock or securities) gains from the sale of stock or securities, and (B) at any time during the last half of the taxable year more than 50 per centum in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. For the purpose of determining the ownership of stock in a personal holding company—(C) stock owned, directly or indirectly, by a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries; (D) an individual shall be considered as owning, to the exclusion of any other individual, the stock owned, directly or indirectly, by his family, and this rule shall be applied in such manner as to produce the smallest possible number of individuals owning, directly or indirectly, more than 50 per centum in value of the outstanding stock; and (E) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood); spouse, ancestors, and lineal descendants.

PAR. D. Section 62 of the Revenue Act of 1936 provides:

SEC. 62. *Rules and Regulations.*—The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title.

Pursuant to the above-quoted provisions of the Revenue Act of 1936 and the provisions of other internal revenue

laws, the following regulations are hereby prescribed with respect to mutual investment companies:

ARTICLE 1. *Taxation of mutual investment companies.*—

*General.*—If a corporation, as defined in section 1001 of the Act, shows to the satisfaction of the Commissioner of Internal Revenue that it is entitled to the status of a mutual investment company, as defined in section 48 (e) of the Act, it is allowed, under section 13 (a) (3) of the Act, a credit for dividends paid, as provided in section 27 of the Act, computed without the benefit of section 27 (b) of the Act relating to dividend carry-over, but, under section 13 (a) (2) of the Act it is not allowed the credit for dividends received provided in section 26 (b) of the Act. It is also required to keep records satisfactory to the Commissioner of Internal Revenue for the purpose of ascertaining the actual ownership of its outstanding stock. In all other respects a mutual investment company is treated, for purposes of taxation, as any other corporation subject to taxation under the Act.

ART. 2. *Definition of a mutual investment company.*—The term "mutual investment company" means a corporation whether chartered or incorporated, or created under a trust instrument or otherwise, as an investment trust, and whether of the fixed or general management type (other than a personal holding company as defined in section 351 of the Act), which complies with all the conditions prescribed by section 48 (e) of the Act. As to definition of a corporation see section 1001 of the Act.

ART. 3. *Proof of status of a mutual investment company.*—

(a) The Act requires that the company must have been organized for the purpose of, and that substantially all of its business must have consisted of, holding, investing, or reinvesting in, stock or securities. It is not sufficient that the corporation is engaged in holding, investing, or reinvesting in, stock or securities. It must have been organized for that purpose, and, throughout the taxable year, operated primarily as a medium through which contributing shareholders are offered centralized management and diversity of investments. If its predominant purpose is to hold, invest or reinvest in, stock or securities, and if substantially all of its business consists of holding, investing, or reinvesting in, such stock or securities, the existence or exercise of incidental powers to engage in other business will not deprive a corporation of classification as a mutual investment company. A finance company, or a company engaged in the business of a dealer in stock or securities, or of a trader in stock or securities for its own account, is not a mutual investment company.

(b) The Act provides that at least 95 percent of the company's gross income for the taxable year must be derived from dividends, interest, and gains from sales or other disposition of stock or securities, and that less than 30 percent of the company's gross income for the taxable year must have been derived from the sale or other disposition of stock or securities held for less than six months. (See section 48 (e) (1) (B) and (C) of the Act.) In determining the percentage of the company's gross income which has been derived from such sources, a loss from the sale or other disposition of stock or securities does not enter into the computation. The determination of the period for which stock or securities have been held shall be governed by the provisions of section 117 (c) of the Act in so far as applicable.

(c) The Act provides that an amount not less than 90 percent of the company's net income for the taxable year must have been distributed to its shareholders as taxable dividends during the taxable year. The term "taxable dividends" means dividends (as defined in section 115 of the Act) which are taxable in the hands of such shareholders as are subject to taxation under the Act, and includes the proportionate share of the net earnings of the current year to the date of redemption distributed to the shareholder upon redemption. A taxable dividend is not distributed to its shareholders during the taxable year within the meaning of section 48 (e) (1) (D) of the Act, unless the dividend is received by the shareholders during the taxable year of the company. See article 27-1 of Treasury Decision 4674, approved August 6, 1936 (Int. Rev. Bull. XV-32, 2), relating



to surtax imposed by the Act on undistributed profits of corporations.

(d) The Act requires that shareholders must, upon reasonable notice, be entitled at all times during the taxable year to redemption or purchase of their stock for their proportionate interests in the corporation's properties, or the cash equivalent thereof, less a discount not in excess of 3 percent thereof. Redemption within sixty days of written notice is redemption upon reasonable notice, even though subject to exception in case of extraordinary crises.

(e) Corporations are given thirty days after June 22, 1936, the date of the enactment of the Act, within which to comply with the provisions of section 48 (e) (2) of the Act. Although a corporation may be otherwise classified as a mutual investment company, it will not be considered such for any taxable year if at any time (after July 22, 1936) during the taxable year it failed to comply with section 48 (e) (2) of the Act.

ART. 4. *Records to be kept for purpose of ascertaining actual ownership of outstanding stock of mutual investment companies.*—Every mutual investment company shall maintain in the collection district in which it is required to file its income tax return permanent records showing the information relative to the actual owners of its stock contained in the written statements required by these regulations to be demanded from the shareholders. The term "actual owner of stock", as used in these regulations, includes the person who is required to include in gross income in his return the dividends received on the stock. All such records shall be open for inspection, by any duly authorized officer or employee of the Bureau of Internal Revenue, for a period of four years from the end of the taxable year of the company to which they relate.

A mutual investment company shall demand of each of its shareholders (or in the case of a company all or substantially all of the capital stock of which is held by trustees for the purpose of exercising voting rights, such company shall demand of each of the registered holders of certificates of beneficial interest in the company) on or before the payment of any dividend made after thirty days from the date these regulations are approved, a written statement giving (1) the name and address of the actual owner, or the names and addresses of the actual owners, of the stock with respect to which the dividend is payable, (2) the name and address of the person who executes the statement, and (3) the number of shares to which the statement pertains, or if the statement is made by the actual owner or his agent, the total number of shares actually owned by such person.

At the time the first demand is made after the expiration of thirty days from the date this regulation is approved, a like statement shall be demanded as of the date of payment of any prior dividends paid within the taxable year.

ART. 5. *Records to be kept for purpose of determining whether a company claiming to be a mutual investment company is a personal holding company.*—For the purpose of determining whether a company claiming to be a mutual investment company is a personal holding company as defined in section 351 of the Act, the permanent records of the company shall show the additional information required by these regulations disclosing the maximum number of shares actually owned by each person at any time during the last half of the company's taxable year (in the case of an individual actual owner, information also giving, to the best of his knowledge and belief, the names and addresses of, and the maximum number of shares actually owned by each member of his family (as defined in section 351 (b) (1) of the Act) at any time during the last half of the company's taxable year, and in case the actual owner is a corporation, partnership, estate, or trust, information also giving the names and addresses and the proportionate interests of such shareholders, partners, or beneficiaries, who had beneficial interests to the extent of at least 10 percent at any time during the last half of the mutual investment company's taxable year). Statements giving such additional information shall be demanded not later than thirty days after the close of the company's taxable year, as follows:

(1) in the case of a company having 2,000 or more actual owners of its stock on any dividend payment date, as disclosed by statements received in response to demands made by the company as provided in article 3, from each person so disclosed or known to the company as the actual owner of 5 percent or more of its stock; or

(2) in the case of a company having less than 2,000 and more than 200 actual owners of its stock as so disclosed, from each person so disclosed or known to the company as actually owning 1 percent or more of its stock; or

(3) in the case of a company having 200 or less actual owners of its stock from each person who is the actual owner of one-half of 1 percent or more of its stock.

ART. 6. *Additional information required in returns of shareholders.*—Any person who fails or refuses to comply with the demand of a mutual investment company for the written statements which articles 3 and 4 above require the company to demand from its shareholders shall submit as a part of the income tax return required by the Act of such person a statement showing, to the best of his knowledge and belief—

(1) the number of shares actually owned by him at any and all times during the period for which the return is filed in any company claiming to be a mutual investment company;

(2) the dates of acquisition of any such stock during such period and the names and addresses of persons from whom it was acquired;

(3) the dates of dispositions of any such stock among such period and the names and addresses of the transferees thereof;

(4) the names and addresses of the members of his family, as defined in section 351 of the Act relating to personal holding companies; and the maximum number of shares, if any, actually owned by each in any company claiming to be a mutual investment company at any time during the last half of the taxable year of such company;

(5) the names and addresses of any corporation, partnership, association, or trust in which he had a beneficial interest to the extent of at least 10 percent at any time during the period for which such return is made, and the number of shares of any company claiming to be a mutual investment company actually owned by each; and

(6) the amount and date of receipt of each dividend received during such period from every company claiming to be a mutual investment company.

When making demand for the written statements required of each shareholder under these regulations, the company shall inform each of the shareholders of his duty to submit as a part of his income tax return the statements which are required by the preceding paragraph if he fails or refuses to comply with such demand. A list of the persons failing or refusing to comply in whole or in part with a company's demand shall be maintained as a part of its records required by these regulations. A company which fails to keep such records to show the actual ownership of its outstanding stock as are required by these regulations, or which may be required from time to time by any rule or regulation prescribed by the Commissioner, with the approval of the Secretary, for such purpose, shall not be taxable as a mutual investment company.

Nothing in these regulations shall be construed to relieve mutual investment companies or their shareholders from the duty of filing information returns required by regulations prescribed under sections 147 and 148 of the Act.

[SEAL]

CHAS. T. RUSSELL,  
Acting Commissioner of Internal Revenue.

Approved, August 18, 1936.

WAYNE C. TAYLOR,  
Acting Secretary of the Treasury.

[F. R. Doc. 1827—Filed, August 20, 1936; 10:59 a. m.]

## DEPARTMENT OF AGRICULTURE.

## Agricultural Adjustment Administration.

NER—B-2—Maine (Maine—Amendment No. 2)

Issued August 19, 1936

## 1936 AGRICULTURAL CONSERVATION PROGRAM—NORTHEAST REGION

## BULLETIN NO. 2—AMENDMENT NO. 11

## Soil-Building Practices—Maine, Amendment No. 2

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, Northeast Region Bulletin No. 2, as amended, for the State of Maine is, in respect to its application to the State of Maine, amended as follows:

(1) The section of such bulletin entitled "Applying Lime and Superphosphate in Preparation for Seeding Grasses and Legumes" is amended by inserting the word "or" after paragraph 8 of such section and by adding to such section the following new paragraphs as paragraphs 9 and 10, respectively:

## Payment Per Acre

9. 500 pounds of ground limestone: \$1.00; or  
10. 1,000 pounds of ground limestone: \$2.00.

(2) There is hereby added to such bulletin after the section entitled "Fencing Livestock Out of Farm Woodlots" the following new section as section VIII (with a reference in such section VIII to footnote 1 of such bulletin):

VIII. *Improving Soil-Conserving Crops in Orchards and Vineyards by the Use of Nitrogen:*

## Payment Per Acre

Applying, between March 1, 1936, and December 1, 1936, not less than 200 pounds of 16-percent nitrate of soda, or its equivalent, per acre over the entire acreage of any orchard or vineyard interplanted to soil-conserving crops, and leaving such interplanted soil-conserving crops in their entirety on the land: \$1.00.

In testimony whereof, W. R. Gregg, Acting Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 19th day of August 1936.

[SEAL]

W. R. GREGG, Acting Secretary.

[F. R. Doc. 1829—Filed, August 20, 1936; 11:54 a. m.]

NER—B-2—Vermont (Vermont—Amendment No. 2)

Issued August 19, 1936

## 1936 AGRICULTURAL CONSERVATION PROGRAM—NORTHEAST REGION

## BULLETIN NO. 2—AMENDMENT NO. 12

## Soil-Building Practices—Vermont, Amendment No. 2

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, Northeast Region Bulletin No. 2, as amended, for the State of Vermont is, in respect to its application to the State of Vermont, amended by adding after the section of such bulletin entitled "Fencing Livestock Out of Farm Woodlots" the following new section as Section VII (with a reference in such section VII to footnote 1 of such bulletin):

VII. *Improving Soil-Conserving Crops in Orchards and Vineyards by the Use of Nitrogen:*

## Payment Per Acre

Applying, between March 1, 1936, and December 1, 1936, not less than 200 pounds of 16-percent nitrate of soda, or its equivalent, per acre over the entire acreage of any orchard or vineyard interplanted to soil-conserving crops, and leaving such interplanted soil-conserving crops in their entirety on the land: \$1.00.

In testimony whereof, W. R. Gregg, Acting Secretary of Agriculture, has hereunto set his hand and caused the official

seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 19th day of August 1936.

[SEAL]

W. R. GREGG, Acting Secretary.

[F. R. Doc. 1830—Filed, August 20, 1936; 11:54 a. m.]

## FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS.

[Administrative Order No. 79 (Supplement 10)]

GRANTS—E. R. A., 1935

AUGUST 15, 1936.

1. Paragraph 2 of Administrative Order No. 79 (Supplement 8), dated May 19, 1936, is hereby amended so as to read as follows:

2. *15% Advance (optional).*—(a) At any time after the acceptance by the Grantee of an offer from the Public Works Administration to aid in financing the construction of a project, the Grantee may request an advance on account of the grant not to exceed 15% of the previously approved estimated cost of the project. This advance grant may be used for paying architectural, engineering, and planning fees, costs of surveys, borings, and other preliminary investigations, costs of preparation of plans, specifications, and other forms of proposed contract documents, and costs of advertisements for bids for contracts and the printing of the Bonds, but not in payment for legal fees or for the acquisition of lands, easements, or rights of way.

(b) In justifiable cases where the progress of the work will be delayed due to insufficient funds, the Grantee may request the Administrator to permit the use for construction purposes of a portion of the advance grant requisitioned. The State Director shall submit his recommendation as to the proper disposition of such a request.

2. This Order is issued under authority of Executive Order No. 7064 of June 7, 1935.

HAROLD L. ICKES, Administrator.

[F. R. Doc. 1824—Filed, August 20, 1936; 10:02 a. m.]

## FEDERAL TRADE COMMISSION.

## United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 15th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr.; Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2681]

IN THE MATTER OF JOHN J. KANE, TRADING AS LAPEP BEVERAGE COMPANY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered, that John J. Keenan, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, that the taking of testimony in this proceeding begin on Monday, August 24, 1936, at nine o'clock in the forenoon of that day (eastern standard time) in room 313 of the Old Post Office Building, Ninth Street, Philadelphia, Pennsylvania.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[F. R. Doc. 1825—Filed, August 20, 1936; 10:31 a. m.]

## INTERSTATE COMMERCE COMMISSION.

## ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of August A. D. 1936.

[Docket No. BMC 23614]

## APPLICATION OF MOTORWAYS TERMINAL, INC., FOR AUTHORITY TO OPERATE AS A BROKER

In the Matter of the Application of Motorways Terminal, Inc., of 623 Washington Street, New York, N. Y., for a License (Form BMC 4), Authorizing Operation as a Broker for the Purpose of Arranging Transportation of Commodities Generally, in Interstate Commerce by Motor Vehicles Operating in the Following States: Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, and West Virginia

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner Paul Coyle for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner Paul Coyle, on the 29th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Hotel Pennsylvania, New York, N. Y.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL]

GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1835—Filed, August 20, 1936; 12:08 p. m.]

## ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 14th day of August A. D. 1936.

[Docket No. BMC 44360]

## APPLICATION OF GEORGE H. BUERGI AND GERALD W. RICKERD FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of George H. Buergi and Gerald W. Rickerd, Co-partners, Doing Business as R-B Distributing Co., of Plevna, Mont., for a Certificate of Public Convenience and Necessity (Form BMC 8), to Extend Their Present Operation Filed on Form BMC 1, Authorizing Operation as a Common Carrier by Motor Vehicle in the Transportation of Commodities Generally, in Interstate Commerce, between Minneapolis, Minn., and Miles City, Mont. Over U. S. Highway 12

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner R. J. Olentine for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner R. J. Olentine, on the 16th day of Sep-

tember A. D. 1936, at 9 o'clock a. m. (standard time), at the Federal Building, Miles City, Mont.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL]

GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1840—Filed, August 20, 1936; 12:03 p. m.]

## ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of August A. D. 1936.

[Docket No. BMC 50185]

## APPLICATION OF THOMAS CROZIER AND JOHN CROZIER FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of Thomas Crozier and John Crozier, Co-partners, Doing Business as Crozier Brothers, of 74 Stevens Street, White Plains, N. Y., for a Certificate of Public Convenience and Necessity (Form BMC 8, New Operation), Authorizing Operation as a Common Carrier by Motor Vehicle in the Transportation of Household Goods and Office Furniture, in Interstate Commerce, from and Between Points Located in the States of New York, New Jersey, Massachusetts, Connecticut, and Pennsylvania, Over Irregular Routes

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner Paul Coyle for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner Paul Coyle, on the 26th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Hotel Pennsylvania, New York, N. Y.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL]

GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1836—Filed, August 20, 1936; 12:03 p. m.]

## ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 14th day of August A. D. 1936.

[Docket No. BMC 50194]

## APPLICATION OF CARL E. DEGROOT FOR AUTHORITY TO OPERATE AS A CONTRACT CARRIER

In the Matter of the Application of Carl E. DeGroot, Individual, Doing Business as DeGroot Truck Line, of Elm Street, Lusk, Wyo., for a Permit (Form BMC 10, New Operation), Authorizing Operation as a Contract Carrier, by Motor Ve-



hicle, in the Transportation of Commodities Generally, in Interstate Commerce, from and between Points Located in the States of Montana, South Dakota, Kansas, Idaho, Utah, Nebraska, Colorado, and Wyoming

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner M. T. Corcoran for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner M. T. Corcoran, on the 16th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Federal Building, Casper, Wyo.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5,

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1841—Filed, August 20, 1936; 12:10 p. m.]

#### ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of August A. D. 1936.

[Docket No. BMC 50197]

APPLICATION OF DIAMOND TERMINAL AND TRANSPORTATION CORP., OF N. J., FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of Diamond Terminal and Transportation Corp., of N. J., of 96 Maine Street, Newark, N. J., for a Certificate of Public Convenience and Necessity (Form BMC 8, New Operation), Authorizing Operation as a Common Carrier by Motor Vehicle in the Transportation of Commodities Generally, in Interstate Commerce, from and between Points Located in the States of New Jersey, New York, Rhode Island, Connecticut, Massachusetts, Pennsylvania, Maryland, Delaware, and District of Columbia, Over Irregular Routes

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner Paul Coyle for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner Paul Coyle, on the 25th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Hotel Pennsylvania, New York, N. Y.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice

which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5,

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1837—Filed, August 20, 1936; 12:09 p. m.]

#### ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of August A. D. 1936.

[Docket No. BMC 50235]

APPLICATION OF MURRAY FEIGENBAUM FOR AUTHORITY TO OPERATE AS A CONTRACT CARRIER

In the Matter of the Application of Murray Feigenbaum, Individual, Doing Business as Trio Motor Lines, of 73 Debevoise Street, Brooklyn, N. Y., for a Permit (Form BMC 10, New Operation), Authorizing Operation as a Contract Carrier by Motor Vehicle in the Transportation of Furniture, in Interstate Commerce, in the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, Over the Following Routes

Route No. 1.—Between New York, N. Y., and Washington, D. C., via Philadelphia, Pa.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions or officials of the States involved in this application.

*It appearing*, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered*, That the above-entitled matter be, and it is hereby, referred to Examiner Paul Coyle for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered*, That this matter be set down for hearing before Examiner Paul Coyle, on the 25th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Hotel Pennsylvania, New York, N. Y.;

*It is further ordered*, That notice of this proceeding be duly given;

*And it is further ordered*, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5,

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1838—Filed, August 20, 1936; 12:09 p. m.]

#### ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of August A. D. 1936.

[Docket No. BMC 50793]

APPLICATION OF ARTHUR SARACINO FOR AUTHORITY TO OPERATE AS A CONTRACT CARRIER

In the Matter of the Application of Arthur Saracino, Individual, Doing Business as Triangle Trucking Co., of 141-02 Lincoln Avenue, Jamaica, N. Y., for a Permit (Form BMC 10, New Operation), Authorizing Operation as a Contract Carrier by Motor Vehicle in the Transportation of Special

Commodities, in Interstate Commerce, in the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, Connecticut, Massachusetts, and District of Columbia, Over the Following Routes

*Route No. 1.*—Between New York, N. Y., and Washington, D. C., via Philadelphia, Pa., and Baltimore, Md.

*Route No. 2.*—Between New York, N. Y., and Boston, Mass., via Hartford, Conn.

*Route No. 3.*—Between New York, N. Y., and Boston, Mass., via Providence, R. I.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the offices of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

*It appearing,* That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

*It is ordered,* That the above-entitled matter be and it is hereby, referred to Examiner Paul Coyle for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered,* That this matter be set down for hearing before Examiner Paul Coyle, on the 25th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Hotel Pennsylvania, New York, N. Y.;

*It is further ordered,* That notice of this proceeding be duly given;

*And it is further ordered,* That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1839—Filed, August 20, 1936; 12:09 p. m.]

[Fourth Section Application No. 16477]

GRAVEL—RIVERTON, IND., TO GREENDALE, ILL.

AUGUST 20, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: R. A. Sperry, Agent.  
Commodity involved: Gravel, road surfacing, in carloads.  
From: Riverton, Ind.  
To: Greendale, Ill.  
Grounds for relief: Truck competition.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1842—Filed, August 20, 1936; 12:10 p. m.]

[Fourth Section Application No. 16478]

GRAVEL—MISSOURI TO ILLINOIS

AUGUST 20, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of Section 4 (1) of the Interstate Commerce Act,

Filed by: R. A. Sperry, Agent.  
Commodity involved: Gravel, road surfacing, in carloads.  
From: La Grange and Reading, Mo.  
To: Youngtown and Swan Creek, Ill.  
Grounds for relief: Truck competition.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1843—Filed, August 20, 1936; 12:11 p. m.]

[Fourth Section Application No. 16479]

BAGGING TO WILMINGTON, N. C.

AUGUST 20, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: J. E. Tilford, Agent.  
Commodity involved: Burlap bagging, in carloads.  
From: Charleston, S. C., Norfolk and Newport News, Va.  
To: Wilmington, N. C.  
Grounds for relief: Water competition.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1844—Filed, August 20, 1936; 12:11 p. m.]

[Fourth Section Application No. 16480]

COAL TO HIGH POINT AND THOMASVILLE, N. C.

AUGUST 20, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provisions of section 4 (1) of the Interstate Commerce Act,

Filed by: J. E. Tilford Agent.  
Commodity involved: Coal, in carloads.  
From: Stations on Interstate Railroad.  
To: High Point and Thomasville, N. C.  
Grounds for relief: Carrier competition and to maintain grouping.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

[SEAL] GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1845—Filed, August 20, 1936; 12:11 p. m.]

## SECURITIES AND EXCHANGE COMMISSION.

SECURITIES ACT OF 1933

SECURITIES EXCHANGE ACT OF 1934

HOLDING COMPANY ACT

AMENDMENTS TO RULES OF PRACTICE

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly Section 19 (a) thereof, the Securities Exchange Act of 1934, particularly Section 23 (a) thereof, the Public Utility Holding Company Act of 1935,

particularly Section 20 (a) thereof, and finding that it is necessary to carry out the provisions of the Securities Act of 1933, as amended, and the Public Utility Holding Company Act of 1935, and that it is necessary for the execution of the functions vested in the Commission by the Securities Exchange Act of 1934, hereby amends Rule VIII of the Rules of Practice of the Commission:

1. By the addition to paragraph (b) of said Rule VIII of the following sentences: "The initial page of the report shall contain a statement to such effect. In any proceeding in which, under the provisions of Rule XII (e) of the Rules of Practice of the Commission, the report is first to be made available to the public on the opening date of public hearing on the merits before the Commission, the initial page of the report shall also contain a statement to the effect that the report is confidential, shall not be made public, and is for the use only of the Commission, the respondent or respondents, and counsel, but copies of the report issued on or after such opening date may omit such statement.", so that, as amended, said paragraph (b) shall read as follows:

(b) Such report shall be advisory only and the findings of fact therein contained shall not be binding upon the Commission. The initial page of the report shall contain a statement to such effect. In any proceeding in which, under the provisions of Rule XII (e) of the Rules of Practice of the Commission, the report is first to be made available to the public on the opening date of public hearing on the merits before the Commission, the initial page of the report shall also contain a statement to the effect that the report is confidential, shall not be made public, and is for the use only of the Commission, the respondent or respondents, and counsel, but copies of the report issued on or after such opening date may omit such statement.

2. By deletion of the period at the end of paragraph (e), as amended, of said Rule VIII and the addition to said paragraph of the following clause: ", or hearings pursuant to Section 22 (b) of the Public Utility Holding Company Act of 1935.", so that, as further amended, said paragraph (e) shall read as follows:

(e) The provisions of this rule and of Rules IX, X, and XI shall not be applicable to hearings pursuant to Clause 30 of Schedule A of the Securities Act of 1933, or hearings pursuant to Section 24 (b) of the Securities Exchange Act of 1934, or hearings pursuant to Section 22 (b) of the Public Utility Holding Company Act of 1935.

These amendments shall be effective immediately upon publication.

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly Section 19 (a) thereof, the Securities Exchange Act of 1934, particularly Section 23 (a) thereof, the Public Utility Holding Company Act of 1935, particularly Section 20 (a) thereof, and finding that it is necessary to carry out the provisions of the Securities Act of 1933, as amended, and the Public Utility Holding Company Act of 1935, and that it is necessary for the execution of the functions vested in the Commission by the Securities Exchange Act of 1934, hereby amends Rule XII of the Rules of Practice of the Commission:

1. By the deletion in its entirety of paragraph (a), as amended, of said Rule XII, and the substitution therefor of a new paragraph (a), to read as follows:

(a) All reports, exceptions, briefs, and other papers required to be filed with the Commission in any proceeding shall be filed with the Secretary, except that all papers containing data as to which confidential treatment is sought pursuant to Rules 580, UB2 or 22B-1 of the Rules and Regulations of the Commission, together with applications making objection to the disclosure thereof, shall be filed with the Chairman. Any such papers may be sent by mail or express to the officer with whom they are directed to be filed, but must be received by such officer at the office of the Commission in Washington, D. C., within the time limit, if any, for such filing, except that in any case when the hearing has been held in a district within which a regional office has been established, papers filed under Rules VIII (d), IX, X, and XI (a) may be filed with the Regional Administrator for the District, within the times prescribed. The Regional Administrator shall immediately transmit such papers to the Secretary or Chairman of the Commission, as the case may be in accordance with the provisions of this Rule.

2. By the deletion of the word "five" in paragraph (d) of said Rule XII, and the substitution therefor of the word

"eight", so that, as amended, said paragraph (d) shall read as follows:

(d) Unless otherwise specifically provided in these rules, an original and eight copies of all papers shall be filed, unless the same be printed, in which case twenty copies shall be filed.

3. By the addition to said Rule XII of a new paragraph, to be designated paragraph (e), and to read as follows:

(e) All papers containing data as to which confidential treatment is sought pursuant to Rules 580, UB2, or 22B-1 of the Rules and Regulations of the Commission, together with applications making objection to the disclosure thereof, shall be made available to the public only in accordance with the applicable provisions of Rules 580(h), UB2(i), or 22B-1(b). All reports, exceptions, briefs and other papers filed in connection with any hearing pursuant to Section 15(b) or Section 19(a)(3) of the Securities Exchange Act of 1934 shall first be made available to the public on the opening date of public hearing on the merits before the Commission.

These amendments shall be effective immediately upon publication.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1849—Filed, August 20, 1936; 12:49 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE PURE-SWAIN FARM, FILED ON JULY 27, 1936, BY AMERICAN NATIONAL BROKERAGE COMPANY, RESPONDENT

ORDER FOR CONTINUANCE (UNDER RULE 340 (B))

The Securities and Exchange Commission having been requested by its Counsel for continuance of a hearing in the above entitled matter, which matter was last set to be heard at 10:00 o'clock in the forenoon of the 18th day of August 1936 at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, that the said hearing be continued to 4:00 o'clock in the afternoon of the 31st day of August 1936, at the same place and before the same Trial Examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1817—Filed, August 19, 1936; 1:02 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE BRITISH-AMERICAN-ALTA-VISTA-BURNHAM FARM, FILED ON JULY 28, 1936, BY JAMES M. JOHNSON, RESPONDENT

ORDER FOR CONTINUANCE (UNDER RULE 340 (B))

The Securities and Exchange Commission having been requested by its Counsel for continuance of a hearing in the above entitled matter, which matter was last set to be heard at 11:00 o'clock in the forenoon of the 18th day of August 1936 at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, that the said hearing be continued to 4:30 o'clock in the afternoon of the 31st day of August 1936, at the same place and before the same Trial Examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1816—Filed, August 19, 1936; 1:02 p. m.]

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A WORKING INTEREST IN THE SEALY-BURKE #2 FARM, FILED ON JULY 27, 1936, BY DION A. KITSOS, RESPONDENT

ORDER FOR CONTINUANCE (UNDER RULE 340 (B))

The Securities and Exchange Commission having been requested by its Counsel for continuance of a hearing in the above entitled matter, which matter was last set to be heard at 1:00 o'clock in the afternoon of the 18th day of August 1936 at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, that the said hearing be continued to 11:00 o'clock in the forenoon of the 1st day of September 1936 at the same place and before the same Trial Examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1819—Filed, August 19, 1936; 1:02 p. m.]

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 19th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE GULF-CULP FARM, FILED ON JULY 16, 1936, BY CONTINENTAL INVESTMENT CORP., RESPONDENT

ORDER FOR CONTINUANCE BY STIPULATION

The Securities and Exchange Commission finding that the above respondent has stipulated with the Commission's conference officer for a continuance of the hearing in the above entitled matter, which was last set to be heard at 11:00 o'clock in the forenoon of the 19th day of August 1936, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C.;

It is ordered, pursuant to Rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 10:00 o'clock in the forenoon of the 20th day of August 1936, at the same place and before the same Trial Examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1848—Filed, August 20, 1936; 12:48 p. m.]

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 19th day of August A. D. 1936.

[File No. 2-1015]

IN THE MATTER OF REGISTRATION STATEMENT OF MAJESTIC GOLD MINES LIMITED

ORDER FIXING TIME AND PLACE OF HEARING UNDER SECTION 8 (D) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND DESIGNATING OFFICER TO TAKE EVIDENCE

It appearing to the Commission that there are reasonable grounds for believing that the registration statement filed by Majestic Gold Mines, Ltd., under the Securities Act of 1933, as amended, includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading,

It is ordered, that a hearing in this matter under Section 8 (d) of said Act, as amended, be convened on August 31, 1936, at 10 o'clock in the forenoon, in Room 1103, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and continue thereafter at such times and places as the officer hereinafter designated may determine; and

It is further ordered, that Edward C. Johnson, an officer of the Commission, be and he hereby is, designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of testimony in this matter, the officer is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1840—Filed, August 20, 1936; 12:48 p. m.]

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 19th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE BRITISH-AMERICAN-ALTA VISTA-BURNHAM LEASE FILED ON JULY 28, 1936, BY JAMES M. JOHNSON, RESPONDENT

ORDER TERMINATING PROCEEDING (UNDER RULE 340) THROUGH WITHDRAWAL

The Securities and Exchange Commission having due regard for the public interest and the protection of investors, and finding that the offeror has by letter dated August 17, 1936, received by the Commission on August 18, 1936, represented that no sales of any of the interests covered by the above offering sheet have been made and has requested that the said offering sheet be withdrawn, consents to the withdrawal thereof without allowing the papers heretofore filed to be removed from the files of the Commission; and

It is so ordered.

It is further ordered that the Suspension Order, Order for Hearing and Order Designating a Trial Examiner heretofore entered in this proceeding on the 3rd day of August 1936, be, and the same are hereby, revoked and the said proceeding terminated.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1847—Filed, August 20, 1936; 12:48 p. m.]

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE KAROKA-GIFFIN FARM, FILED ON JULY 22, 1936, BY SOUTHWEST ROYALTIES COMPANY, RESPONDENT

ORDER TERMINATING PROCEEDING (UNDER RULE 340) THROUGH AMENDMENT

The Securities and Exchange Commission finding that the amendments to the offering sheet which is the subject of this proceeding filed with the said Commission are so far as necessary in accordance with the suspension order previously entered in this proceeding:

It is ordered, that the amendment dated August 10, 1936, and received at the office of the Commission on August 11,

1936, to Division III of the said offering sheet be effective as of August 11, 1936; and

It is further ordered, that the Suspension Order, Order for Hearing and Order Designating a Trial Examiner entered in this proceeding on July 28, 1936, be and the same hereby are revoked and the said proceeding terminated.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1820—Filed, August 19, 1936; 1:03 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF AN OVER-RIDING ROYALTY INTEREST IN THE TATE-DAVIS FARM, FILED ON AUGUST 12, 1936, BY JOHN H. BANKSTON, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that an offering of over-riding non-producing royalty interests should be prepared on Schedule F provided by the regulations, not on Schedule B.
2. In that the date indicated as that on which the information contained in the offering sheet will be out of date on page 1, Division I, is miscalculated.
3. In that the date and scale has been omitted from Exhibit A of the offering sheet.
4. In that Item 1, Division II, has incorrectly stated the fractional interest the offering contemplates "in terms of the gross production."
5. In that Item 5 (b) iii of Division II is not responsive.
6. In that Item 10 (b) of Division II omits the name of oil pipeline.
7. In that Item 10 (c) of Division II is omitted.
8. In that Item 10 (c) of Division II should be numbered 10 (d).
9. In that Item 10 of Division II is not responsive.
10. In that Item 18 (b) of Division II appears to be incorrectly answered. If, as appears, it should be "no", then Item 19 of Division II should be answered.
11. In that Exhibit A omits the date and scale.

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 17th day of September 1936, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission, be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered, that the taking of testimony in this proceeding commence on the 2nd day of September 1936 at 2:00 o'clock in the afternoon at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania

Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1823—Filed, August 19, 1936; 1:04 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE PHILLIPS-HOAGLAND FARM, FILED ON AUGUST 11, 1936, BY HARRY A. GEORGE, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)) AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that Item 13, Division II, states that the three main formations in the Oklahoma City field are closely allied with producing formations in other fields but that in the Oklahoma City field they lie at greater depths, carry larger gas volumes, with attendant high pressures, are thicker, somewhat more porous and more highly saturated. It is also stated that this difference will undoubtedly assure a greater ultimate recovery of oil per acre than is usual in most fields. There is nothing said about what other fields or producing formations therein are referred to nor is it pointed out that these circumstances mentioned pertain to the older part of the Oklahoma City field, and that the tract in question is in the newer north extension.
2. In that nothing is said in Item 13, Division II, about the gas volumes and pressures in the north extension wherein they are much lower than in the older Oklahoma City field.
3. In that the date given on page 1, Division I, upon which the information will be out of date is miscalculated.
4. In that Item 15 is incorrect in including allowable rather than actual production for July in the total production.
5. In that Item 16 (a), Division II, has used allowable rather than actual production figures as a basis for computing the date when the information in the offering sheet will be out of date.
6. In that Items 16 (c) and 16 (d), Division II, have misstated the amounts shown in that they are computed on the allowable rather than actual production figures.

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 17th day of September 1936; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission, be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and



It is further ordered, that the taking of testimony in this proceeding commence on the 2nd day of September 1936 at 11:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1818—Filed, August 19, 1936; 1:02 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE SUNRAY-PHILLIPS—CAPITAL MANSION-STATE FARM, FILED ON AUGUST 11, 1936, BY HARRY A. GEORGE, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that Item 13, Division II, states that the three main formations in the Oklahoma City field are closely allied with producing formations in other fields but that in the Oklahoma City field they lie at greater depths, carry larger gas volumes, with attendant high pressures, are thicker, somewhat more porous and more highly saturated. It is also stated that this difference will undoubtedly assure a greater ultimate recovery of oil per acre than is usual in most fields. There is nothing said about what other fields or producing formations therein are referred to nor is it pointed out that these circumstances mentioned pertain to the older part of the Oklahoma City field, and that the tract in question is in the newer north extension.

2. In that nothing is said in Item 13, Division II, about the gas volumes and pressures in the north extension wherein they are much lower than in the older Oklahoma City field.

3. In that in Division II the smallest fractional interest to be offered is stated in Item 1 to be  $875/1,291,474.6$  of  $1/4$ . In Item 9 (c) it is also stated to be based on a  $1/4$  royalty. In Items 16 (c) and (d) it is stated to be  $1750/1,291,474.6$  of  $1/8$  royalty interest. It is believed these should be consistently expressed to avoid possible confusion.

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 17th day of September 1936; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the

inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered, that the taking of testimony in this proceeding commence on the 2nd day of September 1936 at 11:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1821—Filed, August 19, 1936; 1:03 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE HOLLENBACK ET AL-PIERCE FARM, FILED ON AUGUST 13, 1936, BY ALEX MACDONALD, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that Item 10 (a), Division II, does not give the distance to the nearest producing oil and/or gas field, as required;

2. In that Item 13, Division II, is not answered;

3. In that the so-called Oil Production map, affixed to the top of the offering sheet filed, is not required, and should not, if used, precede Division I of the offering sheet;

4. In that the so-called Oil Production map has shown a so-called "Norman Field" which is not believed to exist;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 17th day of September 1936, that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 2nd day of September 1936 at 10:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1822—Filed, August 19, 1936; 1:03 p. m.]